

shall publish a document in the FEDERAL REGISTER announcing the activation of the program and inviting one or more categories of eligible institutions, as defined in § 2700.105, to participate in the Emergency Homeowners' Loan Program, to provide such emergency assistance as HUD may designate from among the eligible types of emergency relief provided in § 2700.201, and provide such other information regarding participation in the program, as necessary and appropriate.

Subpart B—Eligibility

§ 2700.101 Eligible properties.

(a) In order to qualify for an emergency assistance under this part, the property of the homeowner seeking assistance must:

(1) Be a single-family residence in a one-to-four unit building, or a condominium or a housing cooperative or a manufactured home;

(2) Be the principal residence of the homeowner, which means it is the residence where the homeowner resides;

(3) Be subject to a delinquent mortgage, as defined in § 2700.5, but not, unless otherwise specified by HUD, subject to liens having a total outstanding principal balance, as specified by HUD;

(4) Have flood insurance, pursuant to the National Flood Insurance Program, in an amount equal to at least the initial principal amount of the emergency loan, if the property is located in an area that has been identified by HUD at least one year before the origination of the emergency loan as an area having special flood hazards; and

(5) Meet such other requirements as may be prescribed by HUD for reasons including, but not limited to, the particular economic circumstances in which emergency assistance is being made available, or the type of emergency assistance being made available.

(b) A property that meets the requirements of paragraph (a) of this section is referred to as the mortgaged property.

§ 2700.105 Eligible institutions.

(a) *Eligible lending institutions.* (1) In order to participate in the Emergency Homeowners' Loan Program as a lender or servicer, a lending institution

must be approved as a mortgagee by the Federal Housing Administration in accordance with the applicable requirements in 24 CFR part 203, and meet such other requirements as may be prescribed by HUD as necessary or appropriate for participation in the Emergency Homeowners' Loan Program.

(2) Approval of a lending institution pursuant to paragraph (a)(1) of this section may be withdrawn at any time by notice from HUD for the following reasons:

(i) The transfer of an insured emergency mortgage relief loan or advance of credit to a nonapproved entity;

(ii) The failure of a lending institution to submit the required annual audit report of its financial condition within 75 days of the close of its fiscal year, or within such other period as may be specified by HUD; or

(iii) The failure of a lending institution to comply with the regulations of this part, or such additional program policies or requirements as specified by HUD. Withdrawal of a lending institution's approval shall not affect the insurance on the emergency mortgage relief loans or advances of credit accepted for insurance.

(3) All approved lending institutions are responsible for servicing of emergency mortgage relief loans and advances of credit in accordance with acceptable mortgage practices of prudent lending institutions and pursuant to 24 CFR part 203.

(b) *Eligible participating organizations.* HUD may delegate authority with respect to the processing of emergency mortgage relief payments as may be appropriate to facilitate the prompt and efficient implementation of assistance under the Emergency Homeowners' Loan Program.

(c) *States with comparable programs.* HUD is authorized to allow funding for the Emergency Homeowners' Loan Program to be administered by a State that has an existing program that is determined by HUD to provide substantially similar assistance to homeowners. After such determination is made, any State that HUD authorizes to administer funding under this program shall not be required to modify its own program to comply with the provisions of this part.